

**LOUISIANA PUBLIC SERVICE COMMISSION**  
**MINUTES FROM JUNE 18, 2014**  
**OPEN SESSION**

***MINUTES OF JUNE 18, 2014 OPEN SESSION OF THE LOUISIANA PUBLIC SERVICE COMMISSION HELD IN BATON ROUGE, LOUISIANA. PRESENT WERE CHAIRMAN ERIC SKRMETTA, VICE CHAIR CLYDE HOLLOWAY, LAMBERT BOISSIERE, SCOTT ANGELLE and EXECUTIVE SECRETARY EVE KAHAO GONZALEZ. COMMISSIONER FOSTER CAMPBELL WAS ABSENT.***

Open Session of June 18, 2014, convening at 9:21 A.M. and adjourning at 12:09 P.M., Natchez Room, 602 N. 5<sup>th</sup> Street, 1<sup>st</sup> Floor, Baton Rouge, Louisiana, with the above-named members of the Commission and Executive Secretary Eve Kahao Gonzalez. Commissioner Foster Campbell was absent.

<b>Ex. 1</b>	<p><b>Announcements.</b></p> <p>Commissioner Campbell was absent for this session due to a leg injury.</p> <p>Deputy General Counsel, Melissa Watson, introduced Rusten May, LPSC Legal's new Staff Attorney.</p> <p>Chairman Skrmetta announced that the October 2014 B&amp;E will be held in New Orleans. Additional details will follow at a later date.</p>
<b>Ex. 2</b>	<p><b>T-32643</b> - Francis Energy Services, LLC (Crowley, Louisiana), ex parte. In re: Application for Common Carrier Certificate of non-hazardous oilfield waste over irregular routes, statewide.</p> <p><b>In re: Discussion and possible vote on ALJ recommendation.</b></p> <p>On motion of Commissioner Holloway, seconded by Commissioner Skrmetta, with Commissioner Boissiere and Commissioner Angelle concurring, and Commissioner Campbell absent, the Commission voted to accept ALJ recommendation and make the order effective immediately.</p>
<b>Ex. 3</b>	<p><b>T-33107</b> - Louisiana Public Service Commission vs. JKJ Transportation, LLC (Pitkin, Louisiana). In re: Alleged violation of Louisiana Revised Statutes Title 45:161 through 180.1 as amended; by operating beyond the scope of authority granted in LPSC 6801-A on (26) twenty-six counts; allegedly occurring on or about July 27, 2103 through August 29, 2013.</p> <p><b>In re: Discussion and possible vote on guilty plea pursuant to Rule 57.</b></p> <p>On motion of Commissioner Skrmetta, seconded by Commissioner Holloway, with Commissioner Angelle concurring, Commissioner Boissiere temporarily absent, and Commissioner Campbell absent, the Commission voted to assert its original and primary jurisdiction and take this matter up pursuant to Rule 57.</p> <p>On motion of Commissioner Holloway, seconded by Commissioner Skrmetta, , with Commissioner Angelle concurring, Commissioner Boissiere temporarily absent, and Commissioner Campbell absent, the Commission voted to approve the stipulation and fine agreed to by Staff and the carrier dated April 9, 2014.</p>
<b>Ex. 4</b>	<p><b>T-33126</b> - Louisiana Public Service Commission vs. Uncle Sam's Moving Corps., LLC (Mandeville, Louisiana). In re: Alleged violation of General Order dated July 21, 2013 by not providing a written estimate and/or waiver upon request.</p> <p><b>In re: Discussion and possible vote on guilty plea pursuant to Rule 57.</b></p> <p>On motion of Commissioner Skrmetta, seconded by Commissioner Holloway, , with Commissioner Angelle concurring, Commissioner Boissiere temporarily absent, and Commissioner Campbell absent, the Commission voted to assert its original and primary jurisdiction and take this matter up pursuant to Rule 57.</p> <p>On motion of Commissioner Angelle, seconded by Commissioner Skrmetta, with Commissioner Holloway concurring, Commissioner Boissiere temporarily absent, and Commissioner Campbell absent, the Commission voted to approve the stipulation and fine agreed to by Staff and the carrier dated April 9, 2014.</p>

<b>Ex. 5</b>	<p><b>T-33106</b> - Louisiana Public Service Commission vs. Car-Tex Transport and Vacuum Service, Inc. (Carthage, Texas). In re: Alleged violation of Louisiana Revised Statute Title 45:166 and LPSC Order 9901 as amended; by authorizing vehicles not affiliated with Car-Tex Transport and Vacuum Service, Inc. to utilize Common Carrier Certificate 5591-E on (8) eight counts; allegedly occurring on or about August 10, 2013 through August 18, 2013.</p> <p><b>In re: Discussion and possible vote on guilty plea pursuant to Rule 57.</b></p> <p>On motion of Commissioner Skrmetta, seconded by Commissioner Angelle, with Commissioner Holloway and Commissioner Boissiere concurring, and Commissioner Campbell absent, the Commission voted to assert its original and primary jurisdiction and take this matter up pursuant to Rule 57.</p> <p>On motion of Commissioner Holloway, seconded by Commissioner Angelle, with Commissioner Skrmetta and Commissioner Boissiere concurring, and Commissioner Campbell absent, the Commission voted to approve the stipulation and fine agreed to by Staff and the carrier dated April 4, 2014.</p>
<b>Ex. 6</b>	<p><b>T-33109</b> - Louisiana Public Service Commission vs. Topcat Oilfield Transport, LLC (White Oak, Texas). In re: Alleged violation of Louisiana Revised Statutes Title 45:161 through 180.1 as amended; by operating Intrastate without LPSC authority on (3) three counts; allegedly occurring on or about June 26, 2013.</p> <p><b>In re: Discussion and possible vote on guilty plea pursuant to Rule 57.</b></p> <p>On motion of Commissioner Skrmetta, seconded by Commissioner Holloway, with Commissioner Boissiere and Commissioner Angelle concurring, and Commissioner Campbell absent, the Commission voted to assert its original and primary jurisdiction and take this matter up pursuant to Rule 57.</p> <p>On motion of Commissioner Holloway, seconded by Commissioner Angelle, with Commissioner Skrmetta and Commissioner Boissiere concurring, and Commissioner Campbell absent, the Commission voted to approve the stipulation and fine agreed to by Staff and the carrier dated March 26, 2014.</p>
<b>Ex. 7</b>	<p><b>U-33036</b> - Cleco Power LLC, ex parte. In re: June 2013 Annual Cost of Service and Formula Rate Plan Annual Earnings Monitoring Report.</p> <p><b>In re: Discussion and possible vote on Joint Report and Draft Order on Cleco's 2013 Annual Report.</b></p> <p>On motion of Commissioner Holloway, seconded by Commissioner Angelle with Commissioner Skrmetta and Commissioner Boissiere concurring, and Commissioner Campbell absent, the Commission voted to adopt the Joint Report and Draft Order as filed into the record on May 29, 2014 implementing a rate refund.</p>
<b>Ex. 8</b>	<p><b>U-32153</b> - Cleco Power LLC., ex parte.. In re: Application of Cleco Power LLC for: (i) Authorization to Install Emissions Control Equipment at certain of its Generating Facilities in order to comply with the Federal Cross-State Air Pollution Rule; (ii) Authorization to Recover the Costs Associated with the Emissions Control Equipment in LPSC-Jurisdictional Rates.</p> <p><b>In re: Discussion and possible vote on Proposed Uncontested Stipulated Settlement.</b></p> <p>On motion of Commissioner Angelle, seconded by Commissioner Holloway, with Commissioner Skrmetta and Commissioner Boissiere concurring, and Commissioner Campbell absent, the Commission voted to adopt Staff's recommendation and approve the May 16, 2014 Amended and Proposed Uncontested Stipulated Settlement entered into between Staff and Cleco Power.</p>

<b>Ex. 9</b>	<p><b>U-32779</b> - Cleco Power LLC., ex parte. In re: Application of Cleco Power LLC for: (i) Extension of Its Formula Rate Plan (FRP), First Authorized by LPSC Order No. U-30689, Issued October 28, 2010; and (ii) Consolidation of Docket No. U-32153 with this Docket.</p> <p><b>In re: Discussion and possible vote on Proposed Uncontested Stipulated Settlement.</b></p> <p>On motion of Commissioner Holloway, seconded by Commissioner Angelle, with Commissioner Skrmetta and Commissioner Boissiere concurring, and Commissioner Campbell absent, the Commission voted to adopt Staff’s recommendation and approve the May 16, 2014 Proposed Uncontested Stipulated Settlement entered into between Staff and Cleco Power.</p>
<b>Ex. 10</b>	<p>Request for approval of Cleco Power, LLC site-specific contracts.</p> <p><b>In re: Discussion and possible vote to approve Cleco Power, LLC site-specific contracts.</b></p> <p>On motion of Commissioner Skrmetta, seconded by Commissioner Holloway with Commissioner Boissiere and Commissioner Angelle concurring, and Commissioner Campbell absent, the Commission voted to adopt Staff’s recommendation and approve the renegotiated site-specific contracts between Cleco Power LLC and its customers Boise Packaging &amp; Newsprint, LLC, Plastipak Packaging, Inc. &amp; Tabb Realty, LLC, and Shell Pipeline Company, subject to the following conditions:</p> <ol style="list-style-type: none"> <li>1. Cleco Power shall track on an annual basis revenues and electric consumption, and make said information available to the Economics and Rates Analysis Division of the LPSC;</li> <li>2. The Commission reserves the right to review any impact the extension of the site-specific contracts have on Cleco Power, or Cleco Power ratepayers; and</li> <li>3. The Commission’s approval of these Agreements is contingent upon later review(s) of impacts resulting from the proposed projects, in light of the possible deregulation of electricity generation and any requirements of the transition to competition which may result.</li> </ol>
<b>Ex. 11</b>	<p><b>S-33008</b> - North Franklin Water Works, Inc., ex parte. In re: Request for an increase in water rates (non-profit).</p> <p><b>In re: Discussion and possible vote on Staff’s recommendation.</b></p> <p>On motion of Commissioner Boissiere, seconded by Commissioner Angelle, with Commissioner Skrmetta and Commissioner Holloway concurring, and Commissioner Campbell absent, the Commission voted to make the interim rate permanent and increase the water tap from \$300.00 to \$375.00.</p>
<b>Ex. 12</b>	<p><b>S-33095</b> - Milton Water System, Inc., ex parte. In re: Request for an increase in water rates. (non profit)</p> <p><b>In re: Discussion and possible vote on Staff’s recommendation.</b></p> <p>On motion of Commissioner Angelle, seconded by Commissioner Skrmetta, with Commissioner Holloway and Commissioner Boissiere concurring, and Commissioner Campbell absent, the Commission voted to adopt Staff’s recommendation.</p>

Ex. 13	<p><b>S-32804</b> - Archibald Water System, Inc., ex parte. In re: Request for an Increase in Water Rates.</p> <p><b>In re: Discussion and possible vote on Request for Increase in Rates.</b></p> <p><b>(Ex. 14 on May 7, 2014 B &amp; E Agenda)</b></p> <p>On motion of Commissioner Boissiere, seconded by Commissioner Holloway, with Commissioner Skrmetta and Commissioner Angelle concurring, and Commissioner Campbell absent, the Commission voted to adopt Staff’s recommendation approving a rate increase, with the modification that a mobile home park rate be added with a \$30.00 minimum rate for the first 2,000 gallons and \$2.25 for each additional 1000 gallons.</p>																					
Ex. 14	<p><b>S-32926</b> - East Feliciana Rural Water System, Inc., ex parte.. In re: Request for an increase in water rates (non-profit system)</p> <p><b>In re: Discussion and possible vote on Staff’s recommendation.</b></p> <p>On motion of Commissioner Angelle, seconded by Commissioner Holloway, with Commissioner Skrmetta and Commissioner Boissiere concurring, and Commissioner Campbell absent, the Commission voted to adopt Staff’s recommendation and the Company be allowed to increase its metered water rates as follows:</p> <table><tr><td></td><td><b>Present</b></td><td><b>Recommended</b></td></tr><tr><td><b>Residential</b></td><td></td><td></td></tr><tr><td>0-2,000 gallons</td><td>\$ 13.30</td><td>\$ 14.50</td></tr><tr><td>Additional rate per 1,000 gallons</td><td>\$ 2.90</td><td>\$ 3.25</td></tr><tr><td><b>Commercial</b></td><td></td><td></td></tr><tr><td>0-10,000 gallons</td><td>\$ 30.60</td><td>\$ 33.35</td></tr><tr><td>Additional rate per 1,000 gallons</td><td>\$ 2.90</td><td>\$ 3.25</td></tr></table> <ol style="list-style-type: none"><li>1. The Company be ordered to follow up with the Commission on the capital improvement projects listed in the application and file a copy of Capital Project Specifications when it is final and any related loan documentation within 30 days of closing.</li><li>2. The Company be ordered to comply with all Louisiana Department of Health and Hospitals (LDHH) and Environmental Protection Agency (EPA) requirements.</li><li>3. The Company be ordered to use the NARUC Chart of Accounts for Class A Water Companies. This can be purchased online at <a href="http://www.naruc.org/Store/">http://www.naruc.org/Store/</a> or by calling (202) 898-2200.</li><li>4. If the Commission approves any changes in rates, the Company be ordered to file in the record of this proceeding and copy the Commission’s Utilities Division, a new or revised tariff reflecting the Commission action, within thirty (30) days of the issuance of the Order.</li></ol>		<b>Present</b>	<b>Recommended</b>	<b>Residential</b>			0-2,000 gallons	\$ 13.30	\$ 14.50	Additional rate per 1,000 gallons	\$ 2.90	\$ 3.25	<b>Commercial</b>			0-10,000 gallons	\$ 30.60	\$ 33.35	Additional rate per 1,000 gallons	\$ 2.90	\$ 3.25
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Ex. 15	<p><b>S-32997</b> - Social Springs Community Water System, Inc., ex parte. In re: Request for an increase in non-recurring fees (non).</p> <p><b>In re: Discussion and possible vote on Letter of Non-Opposition.</b></p> <p>On motion of Commissioner Boissiere, seconded by Commissioner Skrmetta, with Commissioner Holloway and Commissioner Angelle concurring, and Commissioner Campbell absent, the Commission voted to adopt Staff’s recommendation to issue a letter of non-opposition authorizing Social Springs to increase its non-recurring installation fees.</p>																					

<p><b>Ex. 16</b></p>	<p><b>S-33004</b> - Bayou Bonne Idee Water System, Inc., ex parte. In re: Request for a Letter of Non Opposition for USDA Loan.</p> <p><b>In re: Discussion and possible vote on Staff's recommendation.</b></p> <p>On motion of Commissioner Boissiere, seconded by Commissioner Holloway, with Commissioner Skrmetta and Commissioner Angelle concurring, and Commissioner Campbell absent, the Commission voted to adopt Staff's recommendation and allow the company to enter into a financing agreement with USDA to acquire a \$926,000 loan to fund capital improvements for the Company. In connection with the request for a letter of non-opposition, Staff recommends that a letter of non-opposition be issued to Bayou Bonne Idee granting approval for the USDA loan based on the following terms and conditions:</p> <ol style="list-style-type: none"> <li>1. Bayou Bonne Idee Wastewater Sytem, Inc. shall file, under <b><u>Docket No. S-33004</u></b>, a copy of the finalized loan agreement signed by both all parties referencing the above mentioned terms within 30 days of closing; and</li> <li>2. The Commission reserves its right to review the ratemaking treatment of this loan proposal in any future rate proceeding.</li> </ol>
<p><b>Ex. 17</b></p>	<p><b>S-33006</b> - Bayou Bonne Idee Water System, Inc., ex parte. In re: Application for an increase in water rates (non-profit system).</p> <p><b>In re: Discussion and possible vote on Staff's recommendation.</b></p> <p>On motion of Commissioner Boissiere, seconded by Commissioner Angelle, with Commissioner Skrmetta and Commissioner Holloway concurring, and Commissioner Campbell absent, the Commission voted to adopt Staff's recommendation.</p>
<p><b>Ex. 18</b></p>	<p><b>U-33054</b> - CenterPoint Energy Resources Corp. ("CenterPoint Energy") versus Atmos Energy Louisiana.. In re: Allegation of Violations of LPSC General Orders dated January 10, 1954, January 18, 1954 and August 28, 1996.</p> <p><b>In re: Discussion and possible vote on Joint Stipulated Settlement Term Sheet.</b></p> <p>On motion of Commissioner Angelle, seconded by Commissioner Holloway, with Commissioner Skrmetta and Commissioner Boissiere concurring, and Commissioner Campbell absent, the Commission voted to adopt Staff's recommendation and approve the April 30, 2014 Joint Stipulated Settlement Term Sheet entered into between CenterPoint Energy Resources Corp. and Atmos Energy Corporation, and supported by Staff.</p>
<p><b>Ex. 19</b></p>	<p>Entergy Services, Inc's Upcoming Request for Proposals for Long-term Supply-Side Resources</p> <p><b>In re: Discussion and possible vote to hire outside technical consultant.</b></p> <p>On motion of Commissioner Skrmetta, seconded by Commissioner Holloway, with Commissioner Boissiere and Commissioner Angelle concurring, and Commissioner Campbell absent, the Commission voted to hire Henderson Ridge to assist the Commission for a Task A budget of \$20,520 and a Task B budget of \$18,630 in fees, \$5,000 in expenses, for a total not to exceed budget of \$44,150.</p>
<p><b>Ex. 20</b></p>	<p>Entergy Louisiana, LLC ("ELL") and Entergy Gulf States Louisiana, LLC ("EGSL"), ex parte. In re: Submission of Business Combination Study regarding potential business combination.</p> <p><b>In re: Discussion and possible vote to hire outside consultant.</b></p> <p>On motion of Commissioner Skrmetta, seconded by Commissioner Boissiere, with Commissioner Holloway and Commissioner Angelle concurring, and Commissioner Campbell absent, the Commission voted to hire The Sisung Group to assist the Commission for a Phase 1 budget of \$80,000 in fees and \$5,000 in expenses and a Phase 2 budget of \$355,000 in fees and \$20,000 in expenses, for a total not to exceed budget of \$460,000.</p>

<b>Ex. 21</b>	<p>Entergy Louisiana, LLC ("ELL") and Entergy Gulf States Louisiana, LLC ("EGSL"), ex parte. In re: Submission of Business Combination Study regarding potential business combination.</p> <p><b>In re: Discussion and possible vote to hire outside counsel.</b></p> <p>On motion of Commissioner Skrmetta, seconded by Commissioner Holloway, with Commissioner Boissiere and Commissioner Angelle concurring, and Commissioner Campbell absent, the Commission voted to hire Stone Pigman, with Paul Zimmering as the lead attorney, to assist the Commission for a Phase 1 budget of \$189,000 in fees and \$7,500 in expenses and a Phase 2 budget of \$379,000 in fees and \$23,000 in expenses, for a total not to exceed budget of \$598,500.</p>
<b>Ex. 22</b>	<p><b>FA-33165</b> - Henderson Ridge Consulting, Inc. In re: Request for an increase in the authorized contract amount for services to be rendered and expenses to be incurred on behalf of the LPSC in U-32676 Fuel Adjustment Clause Audit of ELL for 2005-2009.</p> <p><b>In re: Discussion and possible vote to increase consultant budget.</b></p> <p>On motion of Commissioner Holloway, seconded by Commissioner Angelle, with Commissioner Skrmetta and Commissioner Boissiere concurring, and Commissioner Campbell absent, the Commission voted to accept Option 2 as proposed by Henderson Ridge Consulting, Inc., increasing the budget of Henderson Ridge by \$191,510 in fees and \$16,550 in expenses, for a total of budget increase of \$208,060,</p> <p>Commissioner Skrmetta asked Staff to review the Commission's Fuel Adjustment Clause Orders and the status of ongoing fuel audits in order to address the timing of audits at the July B&amp;E if necessary.</p>
<b>Ex. 23</b>	<p><b>U-32543</b> - Jefferson Davis Electric Cooperative v. Entergy Gulf States Louisiana, LLC. In re: Complaint of Rule 67 300 foot Violation by Entergy Gulf States Louisiana, LLC, and request for expedited designation of as interim service provider.</p> <p><b>In re: Discussion and possible vote on ALJ recommendation.</b></p> <p><b>PASSED</b></p>
<b>Ex. 24</b>	<p><b>U-32764</b> - Entergy Louisiana, LLC and Entergy Gulf States Louisiana, LLC., ex parte. In re: Joint Application for Recovery in Rates of Costs Related to Hurricane Isaac, Determination of Appropriate Storm Reserve Escrow Amounts and Related Relief.</p> <p><b>In re: Discussion and possible vote on ALJ recommendation.</b></p> <p>On motion of Commissioner Skrmetta, seconded by Commissioner Boissiere, with Commissioner Holloway and Commissioner Angelle concurring, and Commissioner Campbell absent, the Commission voted to approve the ALJ's recommendation and to approve issuance of the financing orders, quantification order and an ancillary order.</p>
<b>Ex. 25</b>	<p><b>U-32987</b> - Atmos Energy Corporation, ex parte. In re: Request for modify the Rate Stabilization Clause for Atmos Energy's Louisiana regulatory divisions Trans Louisiana Gas and Louisiana Gas Service.</p> <p><b>In re: Discussion and possible vote on Joint Stipulated Settlement Term Sheet.</b></p> <p>On motion of Commissioner Skrmetta, seconded by Commissioner Angelle, with Commissioner Holloway and Commissioner Boissiere concurring, and Commissioner Campbell absent, the Commission voted to approve Staff's recommendation and approve the May 16, 2014 Joint Stipulated Settlement Term Sheet entered into between Staff and Atmos Energy Corporation.</p>
<b>Ex. 26</b>	<p><b>S-33067</b> - Dixie Electric Membership Corporation ("DEMCO"), ex parte. In re: Request for a letter of non-opposition regarding RUS loan.</p> <p><b>In re: Discussion and possible vote on Letter of Non-Opposition regarding RUS Loan.</b></p> <p><b>PASSED</b></p>

<b>Ex. 27</b>	<p><b>S-33150</b> - Booth Environmental Services, ex parte. In re: Request for a Letter of Non Opposition to the acquisition of Garden Heights Utilities and to increase water rates for the Garden Heights Utilities system.</p> <p><b>In re: Discussion and possible vote on Staff's recommendation.</b></p> <p><b>PULLED</b></p>
<b>Ex. 28</b>	<p><b>S-33162</b> - French Settlement Water Company, Inc., ex parte. In re: Request for a letter of non-opposition regarding DHH Loan.</p> <p><b>In re: Discussion and possible vote on Staff's Recommendation.</b></p> <p>On motion of Commissioner Skrmetta, seconded by Commissioner Holloway, with Commissioner Boissiere and Commissioner Angelle concurring, and Commissioner Campbell absent, the Commission voted to approve the Staff's recommendation to issue of a letter of non-opposition subject to certain conditions.</p>
<b>Ex. 29</b>	<p>LPSC, ex parte. In re: Establishment of Commission Approved and Supervised Energy Efficiency Programs.</p> <p><b>In re: Discussion and possible vote to approve resolution regarding NERL pilot program.</b></p> <p><b>(Ex. 17 on May 7, 2014 B &amp; E Agenda)</b></p> <p><b>PASSED until August.</b></p>
<b>Ex. 30</b>	<p><b>R-26968</b> - Louisiana Public Service Commission, ex parte. In re: Review of the General Order dated March 12, 1999. (Pole Attachment Rates)</p> <p><b>In re: Discussion and possible vote on draft rule.</b></p> <p><b>PASSED</b></p>
<b>Ex. 31</b>	<p><b>U-29764</b> - Louisiana Public Service Commission, ex parte. In re: Entergy Louisiana, LLC and Entergy Gulf States, Inc., retail proceeding to estimate and implement in retail rates in 2007 the rough equalization impact of FERC Opinion No. 480 and 480-A, FERC Docket EL01-88-000, LPSC v. Entergy Corp.</p> <p>Entergy Services, Inc., Docket Nos. EL01-88 and related bandwidth cases, ER09-1224 &amp; ER13-432 before the Federal Energy Regulatory Commission</p> <p><b>In re: Possible executive session pursuant to La. R.S. 42:17 to discuss litigation and settlement strategy.</b></p> <p><b>PASSED</b></p>
<b>Ex. 32</b>	<p>1) Reports</p> <p><b><u>Notification regarding OMS Board of Directors Vote</u></b> On motion of Commissioner Holloway, seconded by Commissioner Angelle, with Commissioner Skrmetta and Commissioner Boissiere concurring, and Commissioner Campbell absent, the Commission voted to ratify Chairman Skrmetta's votes taken at the May 15 and June 12, 2014 meetings of the OMS Board of Directors.</p> <p><b><u>Staff's Report on EPA regulations, specifically the Transport Rule or "CSAPR" and the proposed rule governing carbon emissions.</u></b> Report was given by David Taggart and Melanie Verzwylt.</p> <p><b><u>Report from Special Counsel on refund payments ordered in Louisiana Public Service Commission v. Entergy Corp., Docket No. EL01-88 before the Federal Energy Regulatory Commission</u></b> Report was given by Mike Fontham.</p> <p>On motion of Commissioner Skrmetta, seconded by Commissioner Holloway, with Commissioner Boissiere and Commissioner Angelle concurring, and Commissioner Campbell</p>

absent, the Commission voted to bring an item up out of order that was not on agenda, for consideration under Ex. 33 for executive session and possible vote (Docket Nos. ER13-779 and ER13-780 before the Federal Energy Regulatory Commission).

- 2) Resolutions
- 3) Discussions
- 4) ERSC/OMS Business
- 5) Directives

**Directive from Commissioner Skrmetta regarding market factors affecting, and communications protocols applicable to, Entergy Gulf States Louisiana, L.L.C., Entergy Louisiana, LLC, and Midcontinent Independent System Operator, Inc.**

On October 31, 2011 EGSL and ELL filed an application with the Commission seeking authority to join MISO. During the course of the Commission's ensuing investigation, numerous representations were made by the Entergy Operating Companies and MISO as to the improved service, enhanced transmission construction, more efficient operating markets, transparency and dollar savings that would be received by Entergy's Louisiana ratepayers if EGSL and ELL were permitted to join MISO. In June, 2012, in large part based on these representations, the Commission conditionally approved EGSL and ELL's entry into MISO. It has now been six months since Entergy joined MISO and thus far, the results have not appeared to match the representations and expectations.

At the last B&E, Entergy reported on a forced outage that impacted more than 30,000 Gulf States' Baton Rouge customers for up to two hours on April 23<sup>rd</sup>. In the time leading up to the outages, and when interruption of service began, there was a marked and inexcusable lack of communication from MISO and Entergy with the Commission, individual Commissioners and the Staff. Most of my fellow Commissioners and I first learned of the outage when we were contacted by members of the local media, who were themselves notified of the interruption by MISO and Entergy after service was curtailed to customers. Even after this load-shedding event, the details of the causes for the interruption were not fully revealed to the Commission for some time. MISO has recently provided a draft of proposed outage communications protocols. However, Staff must have a hand in the development of these protocols, so as to ensure predictability and certainty whenever electric service is disrupted.

In April, MISO conducted its annual capacity auction. The final auction clearing price in MISO South was \$16.44 per MW-day or about six times higher than what was originally projected by MISO for the South Planning Region for 2014-2015. MISO has indicated that these higher capacity prices are linked to capacity shortages expected to occur in the MISO North Planning Region. Those higher prices will be caused, at least in part, by the retirement of coal plants in the North in response to proposed environmental regulations. We need to determine, as quickly as possible, what impacts these higher capacity prices will have on Entergy and Cleco customers.

A third matter requiring immediate and thorough investigation is the counter-flow auction revenue rights that have been assigned to EGSL and ELL. EGSL was assigned counter-flow ARRs for energy generated in Texas and transmitted to Louisiana pursuant to purchased power agreements between EGSL and Entergy Texas, Inc. For the month of May, the LMP prices in Texas, on average, were more than double the Louisiana prices. ELL has been assigned counter-flow ARRs as well. In addition, LMP prices appear to be higher than expected. We need to determine from MISO and Entergy the potential impacts to Entergy's Louisiana ratepayers of continued high LMP prices and these counter-flow ARRs.

When MISO and Entergy urged the Commission to authorize EGSL's and ELL's entry into MISO, greater reliability, production costs savings, and transparency were all promised. We must ensure that these promises are kept. To that end, the Commission instructs the Staff to convene a series of technical conferences with MISO, Entergy and all other interested stakeholders, the first of which to be held at the earliest opportunity, to review, at a minimum, the following:

The causes of the April 23, 2014 Baton Rouge load-shedding event and the open, collective development and refining of communications protocols for MISO as well as Entergy and Cleco Power that will ensure timely and comprehensive reporting of outages, their causes and duration that occur in MISO's Louisiana service area;

The potential impact of higher than expected capacity prices in MISO South caused, according to MISO, at least in part by the retirement of coal plants in the North. This analysis



should include identifying external market factors which could potentially negatively impact Louisiana ratepayers and developing mechanisms to mitigate the negative impacts of those external market factors on Louisiana customers;

A comprehensive analysis of the current and potential impact on EGSL customers from the counter-flow ARR's.

MISO, Entergy and the Commission Staff shall provide an initial report on the results of these analyses and technical conferences no later than the August 6, 2014 Business & Executive Session and continuing thereafter at future B&Es as necessary.

**Directive from Commissioner Skrmetta regarding issuance of RFP for MISO Monitoring**

Directive Regarding Issuance of RFPs for Ongoing ERSC, OMS and MISO Matters  
June 18, 2014 B&E

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This Commission is a member of the Entergy Regional State Committee or ERSC, which is continually engaging in activities related to the individual member commission's regulation of their respective Entergy Operating companies. The LPSC Staff participates in the ERSC Working Group (comprised of staff of the member commissions) and regularly meets and participates in conference calls with Staff members of the other member commissions to collaborate and discuss issues common to those commissions, including issues involving MISO. The ERSC itself meets several times a year. There is continuous activity of the LPSC's member representative to the ERSC, currently Commissioner Boissiere, and LPSC Staff.

Even prior to Entergy's and Cleco's official integration into MISO, this Commission has participated in the Organization of MISO States, or OMS. OMS is comprised of the state regulators of MISO members. The OMS has many working groups comprised of OMS Board members and/or commission staffers. The OMS Board of Directors meets monthly by phone, and in person a few times a year. Like the ERSC, there is continuous activity of the LPSC's member representative to the OMS Board of Directors (currently me [Chairman Skrmetta]) and the LPSC Staff between the actual meetings and calls.

The ERSC and OMS address issues very critical to the LPSC and Louisiana ratepayers and it is imperative that we stay active and diligent with regard to both organizations and their activities. This Commission currently engages a team of outside counsel and consultants to assist the LPSC with its ongoing participation and activity of the ERSC and OMS. Given the tremendous amount of time spent engaged in activities related to OMS and the ERSC, and the expertise needed to effectively participate in these organizations, outside counsel and consultants are necessary. Budgets were last approved in May 2012 for ongoing ERSC matters. Given this Commission's preference for issuing requests for proposals when engaging outside counsel and consultants, I think it is timely that the LPSC consider issuing requests for proposals for outside counsel and consultants to assist Staff with ongoing ERSC and OMS issues. Many of the issues addressed by the ERSC overlap with OMS and MISO integration. The LPSC has contracts with outside counsel and consultants for both the Cleco and Entergy MISO integration proceedings, and though integration has occurred, there is much work that is ongoing in those proceedings.

MISO has dozens of working groups and committees that require the LPSC's participation in order to remain informed and to protect Louisiana ratepayers. MISO's transmission planning processes and markets are never-ending. Entergy's and Cleco's MISO membership requires the LPSC to be constantly engaged and participate in MISO planning processes and monitoring. Therefore, I direct Staff to review the current contracts with outside counsel and consultants on these related issues and develop RFPs to retain outside counsel and consultants for the ongoing participation in the ERSC, OMS and day-to-day MISO matters that are not currently part of the MISO integration proceedings. I want to make sure that the RFP addresses the needs of the LPSC relative to the ERSC, OMS and any other ongoing MISO monitoring not currently under contract, so that the LPSC can stay integrally involved and effective in all of these organizations.

Also,

As this Commission prepares to retain outside counsel and consultants to assist in the monitoring of MISO activities and in the participation of MISO working groups and committees, we must ensure that we retain highly qualified personnel who will possess a thorough and immediate understanding of the complexities of the MISO markets and of the appropriate means of advancing this Commission's policy objectives in the broader MISO

	<p>community. As such, I direct the Commission Staff to convene a technical conference that will enable a dialogue between MISO, Entergy, Cleco, and interested stakeholders with prospective and potential bidders intent on assisting this Commission with MISO monitoring. This dialogue will cover, at a minimum, the structure and underlying concepts of MISO – including, but not limited to, the various transactions that determine the costs of energy in the MISO markets, as well as the component mechanisms of those transactions. This technical conference shall be held at the soonest practicable opportunity, and must take place before the Commission votes on bids submitted in response to the RFP issued for consultants to assist in MISO monitoring. Any party interested in submitting a bid in response to the RFP is strongly encouraged to attend this technical conference.</p>
<b>Ex. 33</b>	<p>Entergy Services, Inc., Docket No. ER13-1508 before the Federal Energy Regulatory Commission.</p> <p><b>In re: Possible executive session pursuant to La. R.S. 42:17 to discuss litigation and settlement strategy.</b></p> <p><b>At the request of Commissioner Skrmetta.</b></p> <p>On motion of Commissioner Skrmetta, seconded by Commissioner Holloway, with Commissioner Boissiere and Commissioner Angelle concurring, and Commissioner Campbell absent, the Commission voted to enter executive session.</p> <p>On motion of Commissioner Skrmetta, seconded by Commissioner Holloway, with Commissioner Boissiere and Commissioner Angelle concurring, and Commissioner Campbell absent, the Commission voted to exit executive session.</p> <p>On motion of Commissioner Skrmetta, seconded by Commissioner Holloway, with Commissioner Boissiere and Commissioner Angelle concurring, and Commissioner Campbell absent, the Commission voted to approve the terms of the agreement under which Entergy Arkansas, Inc. will compensate Entergy Louisiana, LLC for transmission costs incurred to make the Ouachita generating unit available for network service to provide electricity to Entergy Arkansas, as negotiated in a settlement in Docket Nos. ER13-779, et al.</p> <p>On motion of Commissioner Skrmetta, seconded by Commissioner Holloway, with Commissioner Boissiere and Commissioner Angelle concurring, and Commissioner Campbell absent, the Commission voted to order Entergy Louisiana, LLC to make a compliance filing within 30 days providing how the \$22 million annual payments from Entergy Arkansas, Inc. will be flowed through to customers of Entergy Louisiana, LLC in connection with the above settlement in Docket Nos. ER13-779, et al.</p> <p>On motion of Commissioner Skrmetta, seconded by Commissioner Holloway, with Commissioner Boissiere and Commissioner Angelle concurring, and Commissioner Campbell absent, the Commission voted to approve the terms of the settlement negotiated at the Federal Energy Regulatory Commission in Docket No. ER13-1508, et al., with respect to the terms of Power Sales Contracts between Entergy Arkansas, Inc. and Entergy Louisiana, LLC or other purchasing operating companies, except for the rate of return on equity issue, which will be set for hearing.</p>

On motion of Chairman Skrmetta, seconded by Commissioner Holloway, with Commissioner Boissiere and Commissioner Angelle concurring, and Commissioner Campbell absent, the Commission voted to adjourn.

**MEETING ADJOURNED**

The next Business and Executive Session will be held Wednesday July 9, 2014 at 9:00 a.m. in Baton Rouge, Louisiana.